VZCZCXRO9348 PP RUEHBC RUEHDE RUEHDH RUEHDIR RUEHKUK RUEHROV RUEHTRO DE RUEHRO #0521/01 1280607 ZNY CCCCC ZZH P 080607Z MAY 09 ZDK FM AMEMBASSY ROME TO RUEHC/SECSTATE WASHDC PRIORITY 2052 INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY RUCNIRA/IRAN COLLECTIVE PRIORITY RUEHAK/AMEMBASSY ANKARA PRIORITY 3324 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 0705 RUEHTV/AMEMBASSY TEL AVIV PRIORITY 1016 RUEHFL/AMCONSUL FLORENCE PRIORITY 3620 RUEHJM/AMCONSUL JERUSALEM PRIORITY 0484 RUEHMIL/AMCONSUL MILAN PRIORITY 0032 RUEHNP/AMCONSUL NAPLES PRIORITY 3809 RUEHBS/USEU BRUSSELS PRIORITY 4819

C O N F I D E N T I A L SECTION 01 OF 02 ROME 000521

## SIPDIS

E.O. 12958: DECL: 05/06/2019
TAGS: PREL KWBG KPAL EU IS IT
SUBJECT: ISRAELI FM LIEBERMAN REWARDS ITALY'S FRIENDSHIP
WITH FIRST EUROPEAN VISIT BY NEW GOVERNMENT

ROME 00000521 001.2 OF 002

Classified By: Charge Elizabeth L. Dibble for reasons 1.4 (b) and (d).

11. (C) Summary. On a May 4-5 visit to Rome, Israeli Foreign Minister Avigdor Lieberman met separately with Prime Minister Silvio Berlusconi and Foreign Minister Franco Frattini, as well as Rome's mayor and the leadership of its tiny Jewish community. With Berlusconi and Frattini, Lieberman stressed that Iran, not the Palestinian situation, was Israel's first and foremost concern, due to its destabilizing involvement in every conflict in the region. Frattini reportedly countered that if Israel made substantial progress on the Palestinian issue, it would greatly reduce Iran's ability to influence the region. Lieberman offered vague details on the Netanyahu government's goals for Israel's security and economic development of Palestinian controlled territories, two objectives he termed would have to precede any larger political settlement between the two sides. Lieberman declined to put GOI goals within the framework of a Palestinian state, referring instead to the need for "economic peace." Frattini urged Lieberman to recognize the necessity of a two-state solution and to halt construction of settlements. Frattini also reiterated Italy's commitment to remain engaged in the Middle East. End summary.

New Government Focused (Almost Exclusively) on Iran

 $\underline{\P}2$ . (C) Lieberman's Rome visit, the first stop in a European tour, was intended to show appreciation for the Berlusconi government's unstinting support of Israel, according to Palazzo Chigi Deputy Diplomatic Advisor Marco Carnelos and Israeli Ambassador Gideon Meir. Carnelos told us that Lieberman's primary message to Berlusconi was that the international community must focus on Iran's corrosive influence and involvement in every conflict in the region. Lieberman told the Italians that Netanyahu would press President Obama during his Washington visit for the U.S. to set clear time limits to the period in which it would engage Iran, if no results are achieved, would push for the Administration to address the Iranian issue "in a robust way." Lieberman reiterated that message to FM Frattini and altogether avoided discussing a future possible Palestinian state, according to MFA Israel desk officer Daniele Bosio. According to Bosio, Frattini responded that if Israel made substantial progress on a peace agreement with the Palestinians, it would greatly reduce Iran's influence in the region and offer neighboring Arab states an opportunity and incentive to deal more positively with Israel, further sidelining Iran. Meir substantiated the MFA's version of the conversations in tone and detail, in a separate readout to the Charge. Lieberman invited Berlusconi to visit Israel later this month or early June after PM Netanyahu returns from Washington, and Carnelos said they were looking at the possibility of a May/June visit or, if not then, sometime after the summer.

Lieberman Vague About Two-State Solution

(C) Bosio said that Lieberman told Frattini the GOI's goals were 1) security for Israel, 2) prosperity for the West Bank (pointedly not including Gaza in this reference), and 3) stability in the region, which is linked to the first two priorities. Lieberman avoided any reference to the new government's perspective on the two-state solution, noting only that the cases of Cyprus, Ireland, and Czechoslovakia provided historical examples of economic peace and stability that were clearly possible without addressing the full issues of sovereignty. Lieberman told Frattini that PM Netanyahu believes both sides could agree on improving the economic situation of the Palestinian people in the West Bank with an "economic peace." Frattini cautioned that the world had come to expect a two-state solution as the preferred outcome and that continued construction of Israeli settlements was a serious obstacle. Frattini added that a new government was not a basis for beginning negotiations from scratch and that Israel must recognize the Annapolis principles as well as previous commitments. Lieberman countered that the new Israeli government would focus on concrete progress, not simply "slogans" as the last government had done. According to Bosio, Frattini left the meeting discouraged by Lieberman's comment that the number of settlements in the West Bank would not grow, but that those already in existence should be connected to and protected by Israel.

ROME 00000521 002.2 OF 002

Improving Israel's relations with the EU, Neighbors

14. (C) Lieberman asked Frattini and Berlusconi for Italy's support in improving relations with the EU, Libya, Saudi Arabia and the UAE, according to Bosio. Although we understand that Frattini did not directly proffer to Lieberman Italian mediation between Israel and Syria, the FM publicly reiterated Italy's willingness to "promote dialogue" between Israel and Syria should Turkey not step in as a mediator.

## Comment

15. (C) Having clearly expected the worst, the Italians braced themselves for a difficult encounter with Lieberman. According to both Italian and Israeli Embassy interlocutors, the Italians therefore were relieved to find a "more moderate" FM than they had feared, one who appeared thoughtful and careful in choosing his words. That said, Lieberman offered no gestures, and did leave the GOI interlocutors universally concerned about the Netanyahu government's seeming lack of interest in pursuing the two-state solution, as well as disdain for agreements such as the Annapolis/Roadmap principles to which previous Israeli governments had committed themselves. One senior MOD advisor close to the Jewish community, and himself no dove on Israel/Palestinian issues, was disconcerted by Lieberman's line on the Palestinians, and told us GOI officials had pressed the Israeli to "make a gesture" in their direction during his Rome visit. Lieberman declined, he said, saying he would "save something for Washington" during the upcoming visit there by PM Netanyahu. DIBBLE